

1 **BEFORE THE CANNABIS COMPLIANCE BOARD**
2 **STATE OF NEVADA**

3 STATE OF NEVADA, CANNABIS
4 COMPLIANCE BOARD,

5 Petitioner,

6 vs.

7 TAHOE-RENO BOTANICALS, LLC,

8 Respondent.



Case No. 2020-019

9
10 **COMPLAINT FOR DISCIPLINARY ACTION**

11 The Cannabis Compliance Board of the State of Nevada (the "CCB"), by and through
12 counsel, Aaron D. Ford, Attorney General of the State of Nevada, L. Kristopher Rath, Esq.,
13 Senior Deputy Attorney General, and Ashley A. Balducci, Esq., Senior Deputy Attorney
14 General, having a reasonable basis to believe that RESPONDENT TAHOE-RENO
15 BOTANICALS, LLC. ("Tahoe-Reno" or "Respondent") has violated provisions of Chapters
16 678A through 678D of the Nevada Revised Statutes ("NRS"), and Chapters 453A and 453D
17 of the Nevada Administrative Code ("NAC"), hereby issues its Complaint, stating the CCB's
18 charges and allegations as follows:

19 **JURISDICTION**

20 1. During all relevant times mentioned in this Complaint, Tahoe-Reno held, and
21 currently holds, the following license and certificate:

22 ID	License/Certificate	Last Issued / Renewed	Address
24 C092	Medical Cultivation 82842542964915513809	7/1/2020	
26 RC092	Adult-use Cultivation 20856188563796491040	7/1/2020	

1 2. During all relevant times mentioned in this Complaint, Tahoe-Reno is and
2 was registered as a domestic limited liability company in the State of Nevada. The Nevada
3 Secretary of State lists the following Managers of Tahoe-Reno: Scott Dunseath; Mark
4 Pitchford; Christopher O'Neal; Clint Cates; and Sean Devline. Mr. Clint Cates is listed as
5 the Point of Contact for Tahoe-Reno with the CCB.

6 3. Laws 2019, c. 595, § 240, eff. July 1, 2020, states, in pertinent part, as follows:

7 1. The administrative regulations adopted by the Department
8 of Taxation pursuant to chapters 453A and 453D of NRS
9 governing the licensing and regulation of marijuana
10 establishments and medical marijuana establishments remain
11 in force and are hereby transferred to become the administrative
12 regulations of the Cannabis Compliance Board on July 1, 2020.
13 On and after July 1, 2020, these regulations must be interpreted
14 in a manner so that all references to the Department of Taxation
15 and its constituent parts are read and interpreted as being
16 references to the Cannabis Compliance Board and its constituent
17 parts, regardless of whether those references have been
18 conformed pursuant to section 244 of this act at the time of
19 interpretation...

20 3. Any action taken by the Department of Taxation or its
21 constituent parts pursuant to chapter 453A and 453D of NRS
22 governing the licensing and regulation of marijuana
23 establishments and medical marijuana establishments before
24 July 1, 2020, remains in effect as if taken by the Cannabis
25 Compliance Board or its constituent parts on and after July 1,
26 2020.

27 4. Effective July 1, 2020 and pursuant to NRS 678A.350, the CCB superseded
28 the Marijuana Enforcement Division of the Department of Taxation (the "Department") in
enforcing Nevada's laws and regulations for the cannabis industry.

 5. As set forth below, the events at issue in this CCB Complaint occurred prior
to July 1, 2020, when NV Green was licensed pursuant to NRS Chapters 453A and 453D
and NAC Chapters 453A and 453D. Therefore, NV Green is subject to the jurisdiction of
the CCB and subject to discipline pursuant to NRS 678A through 678D and the relevant
provisions of NRS Chapters 453A and 453D and NAC 453A and 453D. Violations are

1 referenced herein to the statutes and regulations in effect at the time each said violation
2 occurred.

3 6. Pursuant to NRS 678A.500 and 678A.510(1), the CCB's Executive Director
4 has transmitted the details of the suspected violations of Tahoe-Reno to the Attorney
5 General and the Attorney General has conducted an investigation of the suspected
6 violations to determine whether they warrant proceedings for disciplinary action. The
7 Attorney General has recommended to the Executive Director that further proceedings are
8 warranted, as set forth in this CCB Complaint. The Executive Director has transmitted
9 this recommendation and information to the CCB. Pursuant to NRS 678A.510(2)(b), the
10 CCB has voted to proceed with appropriate disciplinary action under NRS 678A.520
11 through 678A.600, and has authorized service of this CCB Complaint upon Respondent
12 pursuant to NRS 678A.510(1).

13 FACTUAL ALLEGATIONS

14 7. CCB incorporates all prior Paragraphs as though fully set forth herein.

15 8. On June 2, 2020, as part of a routine audit pursuant to NAC 453D.292, CCB
16 staff conducted an investigation of the Tahoe-Reno medical and adult-use cultivation
17 facility at [REDACTED]. The Board agents for this investigation
18 were Ashley Leano and Stephen Rudy.

19 9. During the course of the aforementioned investigation, CCB staff found that
20 Tahoe-Reno was not using proper procedures for destruction of marijuana waste.
21 Specifically, facility staff did not grind and homogenize the cannabis waste with waste
22 media. Instead of grinding and homogenizing the cannabis waste with bleach and kitty
23 litter mixed in, Tahoe-Reno staff accumulated the usable cannabis leaves in plastic trash
24 bags whole, then added bleach and kitty litter.

25 10. CCB staff also found that Tahoe-Reno was not properly generating
26 transportation manifests in METRC, the seed to sale tracking system. Specifically, the
27 transportation manifests Tahoe-Reno generated did not identify the make, model, and
28 license plate number of the vehicle used to transport the cannabis, and did not identify the

1 name of the cannabis establishment agent transporting the cannabis or their agent card
2 number.

3 VIOLATIONS OF LAW

4 11. CCB incorporates all prior Paragraphs as though fully set forth herein.

5 12. As to certificate C092 and license RC092, Respondent Tahoe-Reno violated
6 NAC 453A.414(4)(d)(9), 453D.426(5)(d)(9), NAC 453D.745(1), NAC 453D.745(3), and NAC
7 453D.905(3)(d)(15) by failing to meet the requirements for disposal of cannabis waste.
8 Specifically, the cultivation facility's waste destruction process did not grind and
9 homogenize cannabis leaves with waste media (bleach and kitty litter); rather, the usable
10 cannabis leaves were accumulated into plastic trash bags whole and then bleach and kitty
11 litter was added into these bags. This is a Category III violation and carries a civil penalty
12 of \$2,500.

13 13. As to certificate C092 and license RC092, Respondent Tahoe-Reno violated
14 NAC 453D.864(3) and (7)(g) and (h), 453D.905(3)(d)(4), and NAC 453D.905(3)(e)(14), by
15 failing to comply with required transportation regulations and seed to sale tracking
16 requirements. Specifically, as the originating cannabis establishment, Tahoe-Reno was
17 required to enter certain information into the seed to sale tracking system to transfer
18 cannabis out of its cultivation facility. As such, Reno-Tahoe was required to generate a
19 transportation manifest using the seed to sale tracking system that included all
20 information required under NAC 453D.864(7). In its transportation manifests for third
21 party distributors, Tahoe-Reno specifically failed to include the following required
22 information under NAC 453D.864(7): the make, model, and license plate number of the
23 vehicle used to transport the cannabis; the name of the cannabis establishment agent
24 transporting the cannabis; and the agent card number of the agent transporting the
25 cannabis. This is a Category III violation for failure to follow the seed to sale tracking
26 requirements under NRS 453D0905(3)(d)(4). As a second Category III violation, this
27 carries a fine of \$5,000 or a suspension of up to 10 days. These acts and omissions also
28 constitute a Category IV violation under NAC 453D.905(3)(e)(14) and carry a fine of \$1,250.

1 **DISCIPLINE AUTHORIZED**

2 Pursuant to the provisions of NRS 678A.600, NAC 453A.332, NAC 453D.312,, NAC
3 453D.900, and NAC 453D.905, the CCB has the discretion to impose the following
4 disciplinary actions:

- 5 1. Suspend the certificate and license of Tahoe-Reno;
6 2. Impose a civil penalty of not more than \$35,000 for each separate violation of
7 NRS Title 56 and NAC Chapters 453A and 453D on the certificate and license of Tahoe-
8 Reno; and
9 3. Take such other disciplinary action as the CCB deems appropriate.

10 The CCB may order one or any combination of the discipline described above.

11 **RELIEF REQUESTED**

12 Based on the foregoing, counsel for the CCB respectfully requests the CCB impose
13 civil penalties against the certificate and license of Tahoe-Reno, C092 and RC092 in the
14 amount of \$8,750.00.

15 In addition, counsel for the CCB further requests the amount expended for CCB's
16 time and effort, pursuant to NAC 453A.352(4) and 453D.200(3), in the amount of \$388.50
17 in costs to date.

18 In sum, counsel for the CCB respectfully requests the CCB order fines, penalties and
19 costs in the amount of \$9,138.50 for certificate C092 and RC092. CCB reserves its rights
20 to seek additional costs incurred as this matter proceeds through hearing and rehearing, if
21 applicable.

22 **NOTICE TO RESPONDENT**

23 **PLEASE TAKE NOTICE**, that Respondent has a right to request a hearing on the
24 charges set forth herein, pursuant to NRS 678A.510 through 678A.590. **Failure to**
25 **demand a hearing constitutes a waiver of the right to a hearing and to judicial**
26 **review of any decision or order of the Board, but the Board may order a hearing**
27 **even if the respondent so waives his or her right.** NRS 678A.520(2)(e).

1 **PLEASE TAKE NOTICE**, you, as the respondent, **must answer this Complaint**
2 **within 20 days after service of this Complaint**, unless granted an extension. Pursuant
3 to NRS 678A.520(2), in the answer Respondent:

4 (a) Must state in short and plain terms the defenses to each claim asserted.

5 (b) Must admit or deny the facts alleged in the complaint.

6 (c) Must state which allegations the respondent is without knowledge or information
7 form a belief as to their truth. Such allegations shall be deemed denied.

8 (d) Must affirmatively set forth any matter which constitutes an avoidance or
9 affirmative defense.

10 (e) May demand a hearing. **Failure to demand a hearing constitutes a waiver**
11 **of the right to a hearing and to judicial review of any decision or order of**
12 **the Board**, but the Board may order a hearing even if the respondent so waives his
13 or her right.

14 **Failure to answer or to appear at the hearing constitutes an admission by**
15 **the respondent of all facts alleged in the Complaint. The Board may take action**
16 **based on such an admission and on other evidence without further notice to the**
17 **respondent.** NRS 678A.520(3).

18 The Board shall determine the time and place of the hearing as soon as is reasonably
19 practical after receiving the respondent's answer. The Board shall deliver or send by
20 registered or certified mail a notice of hearing to all parties at least 10 days before the
21 hearing. The hearing must be held within 45 days after receiving the respondent's answer
22 unless an expedited hearing is determined to be appropriate by the Board, in which event
23 the hearing must be held as soon as practicable. NRS 678A.520(4).

24 Respondent's answer and Request for Hearing must be either: mailed via registered
25 mail, return receipt; or delivered in person; or emailed to:

26 Tyler Klimas, Executive Director
27 Cannabis Compliance Board
28 555 E. Washington Avenue, Suite 4100
 Las Vegas, Nevada 89101
 tklimas@ccb.nv.gov

1 If served by email, Respondent must ensure that it receives an acknowledgement of receipt
2 email from CCB as proof of service.

3 As the respondent, you are specifically informed that you have the right to appear
4 and be heard in your defense, either personally or through your counsel of choice at your
5 own expense. At the hearing, the CCB has the burden of proving the allegations in the
6 Complaint. The CCB will call witnesses and present evidence against you. You have the
7 right to respond and to present relevant evidence and argument on all issues involved. You
8 have the right to call and examine witnesses, introduce exhibits, and cross-examine
9 opposing witnesses on any matter relevant to the issues involved.

10 You have the right to request that the CCB issue subpoenas to compel witnesses to
11 testify and/or evidence to be offered on your behalf. In making this request, you may be
12 required to demonstrate the relevance of the witness's testimony and/or evidence.

13 If the respondent does not wish to dispute the charges and allegations set forth
14 herein, within 30 days of the service of this Complaint, Respondent may pay the civil
15 penalties and costs set forth above in the total amount of \$9,138.50 to:

16 Tyler Klimas, Executive Director
17 Cannabis Compliance Board
18 555 E. Washington Avenue, Suite 4100
Las Vegas, Nevada 89101

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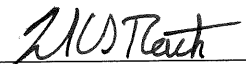
1 YOU ARE HEREBY ORDERED to immediately cease the activity described above
2 which is a violation of Nevada law.

3 DATED: September 22, 2020.

4 STATE OF NEVADA
5 CANNABIS COMPLIANCE BOARD

6 By: 
7 Tyler Klimas, Executive Director
8 555 E. Washington Avenue, Suite 4100
9 Las Vegas, Nevada 89101
10 (702) 486-2300

11 AARON D. FORD
12 Attorney General

13 By: 
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